

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1617

Introduced by Assembly Member Dickinson

February 8, 2012

An act to add Section ~~16511~~ *16480.43* to the Government Code, relating to ~~the State Treasury~~: *state fiscal affairs*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1617, as amended, Dickinson. ~~State Treasury~~: *fiscal affairs*: *Pooled Money Investment Account*: ~~community banks~~: *banks and credit unions*.

Existing law requires all moneys in the State Treasury or under control of the Treasurer belonging to or in the custody of the state to be deposited by the Treasurer to the credit of the state in eligible banks, as specified. *Existing law establishes a Pooled Money Investment Board, consisting of the Controller, Treasurer, and Director of Finance. The Pooled Money Investment Board governs the Pooled Money Investment Account. All state moneys held by the Treasurer in treasury trust accounts, and all moneys in the State Treasury, are continuously appropriated for the purpose of investment and deposit, except as specified. Existing law sets forth eligible securities for the investment of surplus moneys.*

This bill would require the Treasurer to ~~deposit not less than~~ *invest an average of 30% of surplus moneys in the State Treasury Pooled Money Investment Account, as specified, in a state or federally chartered community banks bank*, as defined to mean a bank or savings institution in California with aggregate assets of less than ~~\$1,000,000,000~~ *\$10,000,000,000, or a credit union, subject to specified considerations.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section ~~16511~~ 16480.43 is added to the
2 Government Code, to read:

3 ~~16511:~~

4 16480.43. (a) Notwithstanding Section ~~16500~~ or 16505, to the
5 maximum extent consistent with liquidity requirements and prudent
6 management of surplus moneys and in compliance with all other
7 requirements established by state law, the Treasurer shall ~~deposit~~
8 ~~not less than~~ invest an average of 30 percent of surplus moneys
9 in the ~~State Treasury in community banks~~ Pooled Money
10 Investment Account, calculated over a 12-month period, in time
11 deposits in a state or federally chartered community bank or credit
12 union.

13 ~~(b) The allocation of moneys deposited in community banks~~
14 ~~shall be proportionate by geographic region throughout the state~~
15 ~~with roughly one-third deposited among northern California~~
16 ~~community banks, one-third deposited among central California~~
17 ~~community banks, and one-third deposited among southern~~
18 ~~California community banks.~~

19 (b) For purposes of this section, “surplus moneys” means those
20 funds in the Pooled Money Investment Account exclusive of money
21 from the Local Agency Investment Fund and money allocated for
22 internal state borrowing.

23 (c) When choosing which community banks and credit unions
24 to use in each regional area, for the investment of surplus moneys,
25 pursuant to subdivision (a), the Treasurer shall take into
26 consideration the following:

27 ~~(1) Whether the community bank services a rural or urban~~
28 ~~community.~~

29 (1) The extent to which a community bank or credit union serves
30 a community with an unemployment rate that exceeds the statewide
31 average.

32 (2) Whether the community bank or credit union services a
33 predominantly low- or moderate-income community.

34 (3) Whether the community bank or credit union offers small
35 business loans in the communities it serves, including, but not

1 *limited to, commercial and industrial loans, real estate loans, and*
2 *lines of credit.*

3 *(4) Whether the community bank is an “eligible bank” pursuant*
4 *to Section 16500.*

5 *(5) Whether the community bank or credit union is*
6 *headquartered in this state.*

7 *(d) For purposes of this section, a “community bank” means a*
8 *bank or savings institution in California with aggregate assets of*
9 *less than—~~one ten~~ billion dollars—(\$1,000,000,000)*
10 *(\$10,000,000,000).*

11 *(e) For purposes of this section, a “credit union” means a*
12 *financial institution defined in Section 14002 of the Financial Code*
13 *that has obtained from the Commissioner of Financial Institutions*
14 *a certificate authorizing it to act as a credit union pursuant to*
15 *Section 14154 of the Financial Code, a credit union organized*
16 *under the laws of any state, or a federally chartered credit union.*

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